



Access Across America Programs

People "from all walks of life" will have greater access to affordable financial services through an economic empowerment initiative unveiled on February 25, 2002, by NCUA's Chairman Dennis Dollar.

The program, labeled "Access Across America," will focus on creating economic empowerment through credit union access into neighborhoods and communities lacking access to low-cost financial services. It will expand and enhance existing NCUA initiatives to bring credit union service to these underserved communities - a program which resulted in over 16.1 million Americans living in communities defined by law as underserved in 2001.

The program is designed to partner with key federal departments and agencies to counter the growing predatory lending problem in America as well as broaden access to affordable financial services to underserved communities. Examples of partnership activities that have already been fostered include:

- **Community Development Financial Institutions:** CDFI has provided 25 credit unions with over \$4 million in awards. The list of the 100 certified credit unions are displayed at: www.cdfifund.gov/docs/2002_certification_byorgtype.pdf. There are a total of 553 CDFIs.
- **Federal Deposit Insurance Corporation, Office of Comptroller of the Currency and the banking industry:** Banks have provided credit unions with low-cost deposits, fixed assets, mentorship services, and capital. These partnerships provide increased services to the membership and communities.
- **Federal Home Loan Bank:** FHLB provides services to 546 credit unions.
- **Financial Management Services:** Credit unions have become Electronic Transfer Account providers. A top credit union provider opened 60 accounts within a few weeks.
- **Housing and Urban Development** NCUA is partnering with HUD in identifying community development program opportunities for credit unions.
- **Internal Revenue Service:** The Internal Revenue Service (IRS) has embarked on a nationwide partnership initiative to help families with low to moderate income build assets and increase financial literacy. This partnership is in conjunction with the IRS' well-established Voluntary Income Tax Assistance (VITA) Program initiative.
- **Small Business Administration:** Twenty-five credit unions have been added since an NCUA partnership program started in 2000. To date, SBA has certified 67 credit unions.

For more information regarding the above programs refer to the following website:

www.accessacrossamerica.gov



Have a great spring!

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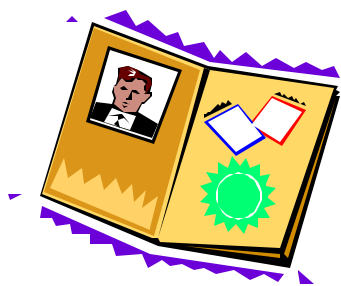
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Sign Up Members Using the ITIN

An ITIN (Individual Taxpayer Identification Number) is a tax processing number that became available in 1996 for certain nonresident and resident aliens, their spouses, and dependents. **The ITIN can be used to report member dividends (income).** It is the credit union's decision to determine if a social security number or ITIN is required to open an account.

The ITIN is only available to individuals who are **not eligible** for a Social Security Number. All U.S. Tax returns filed after December 31, 1996, require a valid Tax Identification Number (TIN) for each person listed on the return. A valid TIN is either a valid SSN or an ITIN. ITIN's are only for federal income tax purposes. The issuance of an ITIN does **not**:

- Entitle the recipient to Social Security benefits or the Earned Income Tax Credit (EITC).
- Create an inference regarding the individual's immigration status.
- Give the individual the right to work in the U.S..



To obtain an ITIN, the member must complete IRS Form W-7 and submit documentation substantiating foreign/alien status and true identity for each individual. If a document validates both criteria, such as a passport then that document is acceptable. The document must be current and must verify: (a) the member's identity (name and photograph); and (b) support the member's claim of foreign status. Examples of acceptable documents include, but are not limited to: a passport; a driver's license; documents issued by the U.S. Immigration and Naturalization Service (INS); an identity card issued by a state or national government authority; a foreign military or military dependent identification card; a foreign voter registration certificate; birth, marriage, or baptismal certificates; and

school records. There are three basic types of documentation that can be used in support of Form W-7: original; considered as original (e.g., copies certified by the issuing agency, Department of State, and/or copies notarized/certified by a military Judge Advocate General office); notarized by a U.S. (not foreign) notary public within the legal authority of the notary public.

Members must sign the W-7 form unless under 14 years of age, in which case the parent or guardian will sign. If the member is unable to sign, a "mark" on the application must be witnessed by two individuals. A member can also appoint an agent by signing Form 2848 and attaching it to the W-7 form.

Members may mail the documentation, along with the W-7 form, to the Philadelphia Service Center, present it at IRS walk-in offices, or process their application through an **acceptance agent or certified acceptance agent** authorized by the IRS. Acceptance agencies are entities (credit unions, colleges, accounting firms, etc.) who are authorized by the IRS to assist applicants in obtaining ITINs. **IRS is encouraging credit unions to become certifying acceptance agent so the members do not need to release/mail their documentation.** *Refer to the next page for more information regarding becoming an acceptance agent or certifying acceptance agent.* IRS processing time for the ITIN is four to six weeks.

W-7 forms can be obtained by mail (call 1-800-829-3676); by fax (1-703-368-9694—W-7 catalog# for W-7 is 10229); or by internet (www.irs.treas.gov). Members can receive assistance by calling IRS toll free at 1-800-829-1040, by calling the ITIN office directly in Philadelphia, PA at 215-516-4846 or by visiting your nearest IRS office. Overseas help can be obtained from the following IRS offices: Germany (49-228-339-2119); England (44-171-408-8076); Mexico (552-209-9100 X3557); France (33-1-4312-2555); Italy (39-06-4674-2560); China (65-476-9413); Japan (81-3-3224-5466); and Puerto Rico (787-759-5100).

Credit Unions can become Acceptance Agents

Acceptance agents and certifying acceptance agents can assist foreign individuals in preparing W-7s and reviewing or certifying supporting documentation needed to acquire an ITIN. **Acceptance agents are not agents of the IRS.** An acceptance agent assists alien individuals and other foreign persons in obtaining required forms and documentation. The acceptance agent sends the required information to the IRS for approval, processing and assigning an ITIN. A certifying acceptance agent reviews the documentation required to accompany the Form W-7 and certifies to IRS that to the best of their knowledge that it is authentic, complete and accurate. **Credit union members using the services of a certifying acceptance agent does not submit the original documentation through the mail.** Benefits to the credit union membership includes eliminating the possibility of losing documents in the mail and providing these services at a convenient location.

Certifying agents must agree to maintain records of documentation. Documents are kept as long as the member remains as a member of the credit union. If the customer is not a member, records are to be kept three years.

Agents must agree to submit supporting documents to IRS upon written request. Certifications made by the agent may be verified at random by mail or on site.

Acceptance Agent Application Process

The credit union must submit the following information to the IRS, Foreign Payments Team at LM:IN:FP: W.Almodovar, 950 L'Enfant Plaza South, SW, Room 4411, Washington, DC 20024, Phone (202) 874-1669, or Fax (202)874-1764:

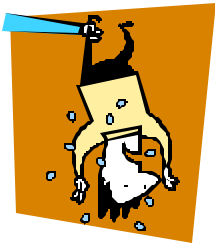
- credit union's name, address, and EIN number (EIN mandatory)
- procedures for identifying and communicating with members
- reason for application (e.g., to provide the credit union membership with these services and to act as an acceptance agent or certifying acceptance agent)
- description of applicant (e.g., federally insured credit union)
- list of responsible parties for performance
- list of all branches to be covered under the agreement
- business relationship of the agent to the applicants (e.g., members of credit union)
- estimate of the number of ITIN applicants per year
- name and number of person to contact for information

Upon approval, IRS notifies the credit union and provides instruction for entering into formal agreement. Terms and procedures of the agreement will be determined by IRS. The following list of "General Terms and Conditions" for an entity acting as a (Certifying) Acceptance Agent:

- Agent will maintain a supply of all forms (W-7, W-7 (SP), and SS-4).
- Agent will assist applicant in preparation of all forms .
- Agent will communicate with IRS on behalf of applicant.
- Agent will submit applications promptly.
- Agent will insure acceptable documentation of alien status and identity is attached to the application for ITIN.
- Agent will assist applicants with notification of IRS due to changes in alien status.
- Agent is subject to verification of compliance with agreement.
- Agent or IRS may terminate agreement after notification.

More information regarding the acceptance agent program can be obtained by calling 202-874-1669.

Help Your Members—Credit Unions can Offer IRS E-File Services



The IRS e-file Program can save members from filing late and paying more at other E-File providers .

Each year, more and more taxpayers choose IRS e-file because their returns are processed faster with fewer errors. Credit unions can become an e-file provider.

Your credit union can become an authorized IRS e-file Provider by completing the following steps:

1. Choose a designation as an Electronic Return Originator (ERO), Intermediate Service Providers (ISP), or Transmitter (TS). The ERO originates the electronic submission of income tax returns to the IRS. The ISP receives tax return information from either an ERO or from taxpayers who file electronically from home, using their personal computers. The TS transmits a completed income tax return to IRS. Transmitters must have software and modems that allow them to connect with IRS computers. EROs and ISPs may apply to be transmitters and transmit return data themselves.
2. Complete and submit IRS Form 8633, Application to Participate in the IRS e-file Program, and use the Accuracy Checklist to ensure that the application is complete. A separate application is required for each branch location from which the e-files will originate. Applications can be submitted from August through May with submission prior to December preferred.
3. Pass a "Suitability Background Check". IRS will conduct a check on the credit union's president, vice president, secretary, treasurer, and all of the officials responsible over the e-filing operations that are listed on IRS Form 8633 to determine their suitability to be an Authorized IRS e-file Provider. The IRS requires fingerprints for all the individuals listed on Form 8633. To obtain fingerprint cards, call 1-800-691-1894. The background check includes the following: an FBI criminal background check; a credit history report check; an IRS Records check to ensure that all individuals and business returns are filed, all payments are up to date; and to look for instances of fraud; and a prior history check for non-compliance in the IRS e-file programs. Suitability checks regarding IRS Records and prior history are repeated annually. All responsible officials must pass the suitability check before your application will be accepted into the IRS e-file program. If anyone fails, your application will be rejected and you will be notified in writing.

The IRS provides the software free of charge for partners who sign up to host VITA sites. If the partners elect to prepare the tax returns electronically, they must have computers (Pentium 1) and printers, with the computer having at least 60 MB of hard drive space. If they elect to file or transmit the returns electronically to the IRS, IRS will provide them with an Electronic Filing Number (e-Fin), but the customer will need a 56K Modem for transmitting. Electronic transmissions of returns will allow the taxpayer to receive their refund within a 2-3 week timeframe.

For further information about participating in the VITA initiative, please contact Beverly Thomas, IRS Senior Program Analyst, via e-mail at beverly.thomas@irs.gov, or Darrell Lloyd, Chief, Financial Institution Partnerships, at darrell.lloyd@irs.gov or refer to the following link:

<http://www.ncua.gov/org/orgchart/ocud/newsletters/SpecialEdition-IRS.pdf>

CUNA Mutual “Toolkit” Helps Small Credit Unions Make Smart Technology Choices

A new “Toolkit”, now available to credit unions with less than \$20 million in assets, promises to help them make smarter technology decisions. The Small Credit Union Connectivity Toolkit (“Toolkit”) from the CUNA Mutual Group features three components: a guidebook, a calculation tool, and a Filene Research Institute Report. Each “tool” in the kit will help credit unions make better and faster decisions about connecting to the Internet and other networks, while adding important technology for members.

“About 40 percent of credit unions with assets under \$20 million do not have a business-to-business Internet connection,” said CUNA Mutual Vice President of Small Credit Union Development Steve Goldberg. “This toolkit will equip more small credit unions to make that connection, and add other important technologies.”

“It gives small credit unions focused insight on technology issues we face. It will keep us from reinventing the wheel,” said Bob Heim, CEO at Inland Federal Credit Union (El Cajon, CA) and one of several credit union leaders involved in developing and reviewing the “Toolkit.”

The guidebook is an easy-to-read reference manual with material covering definitions of technology and connectivity, forging productive technology partnerships, handling compliance, and website issues, looking toward the future, and connectivity resources.

The calculation tool features a spreadsheet that estimates the costs and benefits of various technology and connectivity options. “It can help credit unions build a business case to their Board, or examiners, to justify investing in technology,” said Goldberg.

The Filene Institute report provides information about the top 25 data processors serving small credit unions, features evaluations by credit unions, and shows trends and patterns among processors.

The “Toolkit” sells for \$39.95, and can be ordered at www.smallcu.com from a CUNA Mutual account relationship manager, or by calling (800) 937-2644, extension 3551.

*submitted by Rick Uhlmann from CUNA. The CUNA Mutual Group is the leading financial services provider to credit unions and their members worldwide, offering insurance, investment, lending, and technological solutions through strategic relationships and multiple service channels.

From the Editor: Response to a Credit Union Inquiry

Question: How may a county qualify as an investment area if there are no individual tracts in the county identified as investment areas?

Answer: It's possible to have a qualified county even though the county does not have CDFI qualified tracts. This is because the criteria of population loss is only applied to county level. So when there are no tracts qualified by other criteria, the county can still be qualified as an investment area by population loss. (*The Community Development Financial Institutions (www.treas.gov/cdfi) website will be updated to notify users of the above item.*)

Reminder: Please submit your comments, questions, and recommendations regarding this newsletter's articles, future articles or NCUA programs to:

National Credit Union Administration
Attn: OCUD/SCUP Newsletter
1775 Duke Street
Alexandria, VA 22314-3428



The National Federation of CDCUs Training*

The National Federation of Community Development Credit Unions (NFCDCU), is an association that represents a group of credit unions that serve predominantly low-income communities throughout the United States. Established in 1974, they work to strengthen community development credit unions by providing advocacy, capital, training, and technical assistance, program development, and marketing support.

The **Regional Business Planning Workshops** were launched nationwide in January 2001 to continue with NFCDCU's long standing tradition of bringing education and training to credit unions. The workshops are geared to all credit unions seeking to increase their technical capacity. Developmental workshops on **Market Analysis**, **Financial Projections**, and **Community Lending** are designed to appeal to a broad range of participants. Credit union staff and organizing groups will learn how to better access funds from the government, foundations and NFCDCU.

- The **Market Analysis Workshop** teaches you to analyze community needs for products and services. You will learn how to gather, aggregate, and analyze data. You will also learn to identify key measures for you to evaluate untapped markets, current member satisfaction, areas for improvement, and competition in your target population.
- The **Financial Projections Workshop** helps you develop three- to five-year projections for your credit union. You will learn to set goals; price new products and services; read and interpret financial statements (e.g., balance sheet, income statement and cash flow statement). These tools will allow you to develop the projections that can be used as a management tool.
- The **Community Lending Workshop** gives insight into the lending process through determining community needs and loan structuring. You will learn the difference between community development and traditional lenders. You will also learn the techniques to become a better community lender.

The workshops benefit both "early stage" and "mature" credit unions. Early stage credit unions can utilize course information to plan and develop member services. Mature credit unions can apply their learning to introduce and analyze the impact of current products.

A contract with the U.S. Department of the Treasury's Community Development Financial Institution (CDFI) makes the workshops affordable at \$25 per participant. The workshops are tailor-made for credit union professionals committed to improving their communities and are conveniently located. Workshop locations and dates (for 2002) are listed below.

Date	Workshop	Location
April 10	<i>Market Analysis</i> at the NFCDCU 2nd Latino Conference	Hilton San Diego Mission Valley 901 Camino del Rio South San Diego, CA 92108
May 10 to 11	<i>Financial Projections</i>	To Be Announced
May 10 to 11	<i>Financial Projections</i>	To Be Announced
June 12	<i>Market Analysis</i>	Crowne Plaza Union Station
June 12 to 13	<i>Financial Projections</i>	123 W. Louisiana Street
June 12 to 13	<i>Community Lending</i> at the NFCDCU 28th Annual Meeting	Indianapolis, Indiana 46225

The workshops have spanned the U.S. from coast to coast with sessions in New York, Pennsylvania, Ohio, Illinois, Alabama, Louisiana, Hawaii, California, and Texas. To date, NFCDCU has covered eight states, teaching over 280 credit union professionals.

For additional information regarding these workshops and other training opportunities, please contact Pamela Owens, Director of Training and Education or Ayokah Harrison-Holmes, Program Assistant at (800) 437-8711 or in New York City at (212) 809-1850. Additional NFCDCU training opportunities are listed at www.natfed.org.

*NFCDCU submission



Student Internship Program — Summer 2002

The Community Development Revolving Loan Fund's (Fund) objective is to further support efforts of low-income designated credit unions with loans or technical assistance grants in:

- providing basic financial and related services to residents in their communities; and
- stimulating economic activities in the communities they service.

Since 1998, the Fund has provided technical assistance (TA) grants - for the summer Student Internship Program - **to low-income designated** credit unions.

The Student Internship Program (SIP) has three objectives:

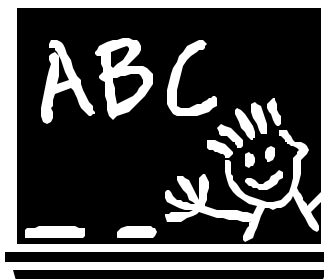
- Introduce college students to credit union philosophy through on-the-job training experience and possible career opportunities in credit unions.
- Foster business development within low-income designated credit unions through the sharing of operational methods and best practices with partnering credit unions.
- Improve the safety and soundness of low-income designated credit unions.

To participate in this program the student must be attending a college or university and meet the institution's full-time student status requirements. The student's course of study should focus on bookkeeping, accounting, information systems, marketing, or other related business and finance areas.

To participate in this program the **low-income designated** credit union needs to partner with another credit union to provide the intern with a greater learning experience. Low-income designated college student credit unions are not eligible to participate in the Technical Assistance Grant Program. The SIP stipend grant is limited to \$2,500.00 per low-income designated credit union. The stipend provides reimbursement of expenses such as transportation and other incidental expenses incurred during the term of the internship. The stipend grant is prorated over a 12-week period (60 business days). **The open period for applying to the Office of Credit Union Development (OCUD) for a TA stipend grant is from March 1st through May 31st of 2002. Applications received after 5 p.m. May 31st will not be processed.** The program will be limited to 28 host credit unions. Completed grant requests will be processed on a first come basis. Prior grant approval is necessary.

The TA stipend grant will be reimbursed to credit unions upon receipt of the following in the OCUD on or prior to September 15, 2002: *evaluations from the student and credit unions and Certification of Business Days Worked Form. Incomplete grant reimbursement requests will not be processed. **The period for filing for reimbursement terminates at 5 p.m. on September 15, 2002. Failure to file for the reimbursement by September 15, 2002, will result in non payment of the grant.***

For information regarding this program or applications, contact the OCUD at 703-518-6610 or visit the following website: <http://www.ncua.gov/org/orgchart/ocud/intern.pdf>. TA applications and requests for reimbursement can be faxed to 703-518-6619, e-mailed to ocudmail@ncua.gov, or mailed to the OCUD.



Credit unions that have participated in prior year programs report successes and continue to participate in subsequent years.

National Credit Union
Administration

1775 Duke Street
Alexandria, VA 22314-3428
703-518-6610



Mailing Address Line 1
Mailing Address Line 2
Mailing Address Line 3
Mailing Address Line 4
Mailing Address Line 5